



March 25, 2003

ENGROSSED

HOUSE BILL No. 1423

DIGEST OF HB 1423 (Updated March 20, 2003 1:19 PM - DI 44)

Citations Affected: Noncode.

Synopsis: Prison investment tax credit. Allows the retroactive application of the prison investment credit to shareholders, partners, beneficiaries, and members of a pass through entity that conducted an operation at Rockville Correctional Facility for taxable years beginning after December 31, 1997, and ending before January 1, 2002.

Effective: Upon passage.

Murphy, Mays

(SENATE SPONSORS — MILLER, SIMPSON, SKINNER, WYSS)

January 14, 2003, read first time and referred to Committee on Ways and Means.
February 3, 2003, amended, reported — Do Pass.
February 6, 2003, read second time, ordered engrossed. Engrossed.
February 10, 2003, read third time, passed. Yeas 95, nays 0.

SENATE ACTION

February 11, 2003, read first time and referred to Committee on Finance.
March 24, 2003, amended, reported favorably — Do Pass.

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EH 1423—LS 6740/DI 101+



March 25, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1423

A BILL FOR AN ACT concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) This SECTION
2 applies to state income tax liability of a shareholder, partner,
3 beneficiary, or member of a taxpayer that is a pass through entity
4 and that incurred an expenditure:

5 (1) described in IC 6-3.1-6-2;

6 (2) under an agreement with the commissioner of the
7 department of correction;

8 (3) for an operation conducted for inmates of Rockville
9 Correctional Facility; and

10 (4) in a taxable year beginning after December 31, 1997, and
11 ending before January 1, 2002.

12 (b) The definitions in IC 6-3.1-6-1 apply throughout this
13 SECTION.

14 (c) A shareholder, partner, beneficiary, or member of a pass
15 through entity is entitled to a tax credit under IC 6-3.1-6 for a
16 taxable year described in subsection (a) to the same extent as if
17 IC 6-3.1-6-6, as added by P.L.129-2001, SECTION 6, had been in
18 effect for that taxable year.

EH 1423—LS 6740/DI 101+



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1 (d) Any penalties or interest assessed against a shareholder,
2 partner, beneficiary, or member of the pass through entity solely
3 because the pass through entity reported or because a shareholder,
4 partner, beneficiary, or member of the pass through entity claimed
5 a credit under IC 6-3.1-6 on a return filed for a taxable year
6 described in subsection (a) is waived.

7 (e) If a shareholder, partner, beneficiary, or member of a pass
8 through entity is entitled to a refund as a result of the enactment of
9 this SECTION, the taxpayer or shareholder, partner, beneficiary,
10 or member of a taxpayer may claim the refund under IC 6-8.1-9.
11 The three (3) year time limitation imposed under IC 6-8.1-9-1 on
12 filing a claim for refund does not apply to a refund claimed as a
13 result of the enactment of this SECTION.

14 (f) This SECTION expires January 1, 2005.

15 SECTION 2. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1423, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 2, delete "taxes paid:" and insert "**income tax liability of a shareholder, partner, beneficiary, or member of a taxpayer that is pass through entity and that incurred an expenditure:**

(1) described in IC 6-3.1-6-2;

(2) under an agreement with the commissioner of the department of correction;

(3) for an operation conducted for inmates of Rockville Correctional Facility; and".

Page 1, line 3, delete "(1)" and insert "**(4)**".

Page 1, line 4, delete "; and" and insert ".".

Page 1, delete lines 5 through 18, begin a new paragraph and insert:
"(b) The definitions in IC 6-3.1-6-1 apply throughout this SECTION.

(c) A shareholder, partner, beneficiary, or member of a pass through entity is entitled to a tax credit under IC 6-3.1-6 for a taxable year described in subsection (a) to the same extent as if IC 6-3.1-6-6, as added by P.L.129-2002, SECTION 6, had been in effect for that taxable year.

(d) Any penalties or interest assessed against a shareholder, partner, beneficiary, or member of the pass through entity solely because the pass through entity reported or because a shareholder, partner, beneficiary, or member of the pass through entity claimed a credit under IC 6-3.1-6 on a return filed for a taxable year described in subsection (a) is waived.

(e) If a shareholder, partner, beneficiary, or member of a pass through entity is entitled to a refund as a result of the enactment of this SECTION, the taxpayer or shareholder, partner, beneficiary, or member of a taxpayer may claim the refund under IC 6-8.1-9. The three (3) year time limitation imposed under IC 6-8.1-9-1 on filing a claim for refund does not apply to a refund claimed as a result of the enactment of this SECTION."

Page 2, delete lines 1 through 28.

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Page 2, line 29, delete "(e)" and insert "(f)".
and when so amended that said bill do pass.

(Reference is to HB 1423 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 27, nays 0.

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SENATE MOTION

Mr. President: I move that Senator Wyss be added as cosponsor of Engrossed House Bill 1423.

MILLER

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1423, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 3, after "is" insert "a".

Page 1, line 17, delete "P.L.129-2002," and insert "**P.L.129-2001**,".

and when so amended that said bill do pass.

(Reference is to HB 1423 as printed February 4, 2003.)

BORST, Chairperson

Committee Vote: Yeas 15, Nays 0.

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